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Management Of Building Services
By The General Services Administration
Needs Improvement B-118623

UNITED STATES
GENERAL ACCOUNTING OFFICE

FEB. 28, 1972

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

CIVIL DIVISION

B-118623

Dear Mr. Kreger:

This is our report on the improvement needed in the management of building services by the General Services Administration. 7

Copies of this report are being sent to the Senate and House Committees on Government Operations, Committees on Appropriations, and Committees on Public Works; the Subcommittee on Treasury, Postal Service, and General Government, Senate Committee on Appropriations; and the Director, Office of Management and Budget. 15000
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Sincerely yours,

A. T. Samuelson

Director, Civil Division

The Honorable Rod Kreger
Acting Administrator
General Services Administration

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ABBREVIATIONS

FSS Federal Supply Service
GAO General Accounting Office
GSA General Services Administration
PBS Public Buildings Service

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D I G E S T

WHY THE REVIEW WAS MADE

The General Services Administration (GSA) by law operates and manages about 10,500 Government-owned and Government-leased buildings occupied by Federal departments and agencies. Most, but not all, Federal agencies (tenant agencies) occupy GSA-managed buildings without charge. The cost, including rentals, of operating and managing these buildings averaged \$460 million a year for the 3-year period ended June 30, 1971. About 80 percent of this cost was paid for under appropriations to GSA and about 20 percent under appropriations to other Federal agencies. (See pp. 5 to 9.)

The General Accounting Office (GAO) made the review to determine whether uniform and equitable building services, such as maintenance, cleaning, and painting, were being provided to Federal agencies.

FINDINGS AND CONCLUSIONS

Federal agencies occupying GSA-managed buildings have not been provided with uniform and equitable building services.

Agencies paying building-service costs from their own appropriations receive more frequent and adequate services than do agencies depending on services financed under appropriations to GSA. (See pp. 10 to 14 and 17 and 18.)

GSA does not have control over the use of all funds appropriated for building services, since, as previously indicated, about 20 percent of the total has been appropriated to the tenant Federal agencies.

These tenant agencies make payments to GSA for certain services provided by GSA. They requested, and were provided with, services comparable to those enjoyed by private business. These services are superior to those provided by GSA to agencies located in buildings for which the operating costs are appropriated directly to GSA. (See pp. 10 and 24.)

Uniform levels of service could be facilitated either (1) by making appropriations directly to GSA for all building services or (2) by having GSA charge all agencies rent for space occupied--an approach which GSA supports. (See pp. 9 and 24.)

Legislation was introduced in the Congress on August 6, 1971, which would require agencies to budget and pay rent to GSA at commercial rates for space occupied, effective not less than 3 years after enactment. (See pp. 9 and 24.)

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Neither GSA regulations nor building leases entered into specified or required common levels of cleaning and painting for Government-owned or Government-leased buildings. GSA has taken some action to reduce inconsistencies in service, but regulations, leases, and practices still do not result in uniform cleaning and painting services. (See pp. 10 to 14 and 17 and 18.)

GSA should apply uniform standards for cleaning and painting Government-owned and Government-leased buildings. (See pp. 24 and 25.) GSA cannot verify that its prescribed levels of cleaning have been provided in buildings cleaned by lessors and contractors, because it has not maintained adequate records and has not made inspections at regular intervals or on a surprise basis.

GSA should maintain adequate service-performance records to aid in enforcing compliance with lease provisions.

GAO noted that:

- Contrary to Federal procurement regulations, some GSA field offices purchased paints without adequate justification for not using the less expensive paints from GSA's stock or contract sources. (See pp. 18 to 20.)
- Painting in Government-owned and Government-leased buildings in the Washington, D.C., area was done, for the most part, during normal working hours of the tenant agencies, although GSA regulations and lease provisions state that painting shall be done after the normal duty hours of the tenant agencies unless it is done in an area where work of tenant agencies will not be interrupted. (See p. 21.)

RECOMMENDATIONS OR SUGGESTIONS

GAO recommends to the Administrator of General Services that GSA:

- Strive to provide building services to federally occupied buildings on a uniform and equitable basis.
- Establish a common painting cycle for all federally occupied buildings.
- Require compliance with its regulations on procurement of paint from the Federal Supply Service.
- Require that painting in Government-owned and Government-leased buildings be done after the normal duty hours of the tenant agencies, in accordance with GSA's regulations and/or lease provisions.
- Require that inspections be made as prescribed in GSA's regulations and that records be maintained evidencing that cleaning and painting are being done in accordance with plans and requirements. (See p. 25.)

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AGENCY ACTIONS AND UNRESOLVED ISSUES

GSA stated that it would:

- Revise the painting cycle to require repainting of office space every 5 years and place increased emphasis on the paint program.
- Make every effort to arrange for night painting where feasible.
- Include in future leases for large blocks of space a requirement that lessors report to GSA when painting and other periodic work is accomplished.
- Study the possibility of an incentive-type contract to improve contract cleaning.

With respect to the recommendation that building services be provided on a uniform and equitable basis, GSA contended that building services had been planned and allocated as consistently and equitably as possible. (See p. 26.)

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CHAPTER 1

INTRODUCTION

In 1950 responsibility for the operation, maintenance, and custody of office buildings owned or leased by the Government was transferred, with certain specified exceptions, from the Federal agencies occupying the buildings to the General Services Administration pursuant to section 2 of Reorganization Plan No. 18 (40 U.S.C. 490h). The GSA Public Buildings Service (PBS), through its Central Office in Washington, D.C., and the 10 GSA Regional Offices, manages an area of about 200 million square feet in about 10,500 buildings that are occupied by departments and agencies of the Federal Government.

Within the GSA regions are numerous field offices headed by buildings managers who are responsible for supervising the management and operation of buildings within a given geographical area in accordance with GSA's building management policies and procedures. Working under the direction of the buildings managers, employees are organized into craft groups and work forces, such as operating engineers, painters, carpenters, plumbers, electricians, elevator mechanics, and cleaners. Foremen or comparable employees supervise the work assignments of each craft or work force.

The annual cost, including rentals, of operating and managing Government-owned and Government-leased buildings average \$460 million a year for the 3-year period ended June 30, 1971. Of these costs, \$317 million was paid from the PBS Operating Expenses appropriation, \$36 million was paid from other GSA appropriations, and \$107 million was paid from tenant agencies' appropriations.

Most Federal agencies occupy GSA-managed space free of charge, and GSA finances the operation of the buildings, including the rentals. When new or additional needs of Federal agencies are not communicated to GSA in time to be included in GSA's budget, the agencies pay GSA for the rental costs incurred for the leased space between the date of occupancy and the end of the first full fiscal year. Thereafter GSA

budgets for and pays the rental costs. In some instances Federal agencies pay for certain building services provided by GSA at their request. These reimbursable services are performed by GSA employees or under contracts awarded and supervised by GSA. About 21,000 GSA employees are engaged in cleaning, painting, maintaining, protecting, and managing Federal space.

CLEANING

During the 3-year period ending June 30, 1971, GSA was responsible for cleaning an average area of 202 million square feet a year in Government-owned and Government-leased buildings. About 138 million square feet were cleaned by GSA employees, 44 million by building owners, and 20 million by commercial contractors. Of the average annual cleaning costs of \$102 million, \$88 million was paid from GSA appropriations and \$14 million from tenant agencies' appropriations.

GSA's cleaning staff was reduced from about 9,100 to 8,600 during fiscal year 1969 due to employment restrictions imposed by the Revenue and Expenditures Control Act of 1968. As a result of the reduction in staff, the area scheduled for cleaning by commercial contractors was increased from 11 to 21.5 million square feet. Cleaning by contractors declined to 19.5 million square feet in fiscal year 1970 and to 18.5 million square feet in 1971. The Office of Management and Budget informed us in July 1971 that GSA's 1972 budget provided for a cleaning force of 9,600. Because of employee cutbacks after July 1971, however, a cleaning staff of about 8,900 is planned for fiscal year 1972.

PAINTING

GSA regulations provide for interior painting in Government-owned buildings every 6 years and in leased buildings every 5 years. GSA employs a force of about 435 painters, of which about 330 are located in the GSA Washington, D.C., Region. The cost of GSA-financed painting in the buildings that it operates nationwide amounted to about \$8 million a year. GSA records do not show the total cost of painting in Government-occupied buildings in all regions that had been requested and paid for by tenant agencies. We

estimate, on the basis of man-hour reports, that the tenant agencies in the Washington Region reimbursed GSA an average \$4.8 million a year for painting in the 3-year period ended June 30, 1971.

PREVENTIVE MAINTENANCE

Preventive maintenance involves work programmed at regular intervals for the purpose of maintaining building equipment (such as elevators, compressors, generators, pumps, and valves) in a safe and operating condition. GSA lists and schedules the work to be done in accordance with its standards and procedures. In fiscal year 1969 GSA employed about 800 mechanics in the 10 regions. GSA records do not show the number of employees assigned to preventive maintenance in fiscal years 1970 and 1971. Of the preventive-maintenance costs of about \$8 million for fiscal year 1969, 94 percent was paid from GSA appropriations and 6 percent from other agencies' appropriations.

GSA POLICIES

GSA's overall policy is to adequately manage, maintain, and protect, at economical cost, the space occupied by the Federal Government for office and general-purpose use and to provide building-management services uniformly and adequately to the tenant agencies.

In fulfilling its responsibility for managing space, GSA's policy is to assign space for Government operations that is appropriate for the efficient and economical performance of agency activities while affording employees safe, healthful, and convenient conditions of employment. Space assignments are to be made commensurate with needs and are not to be based on prestige considerations or individual preferences of occupants.

GSA's regulations provide that building services requested by tenant agencies be provided only to the extent that such services can be performed by GSA without causing interference with GSA's responsibilities for the operation, maintenance, and custody of buildings and be paid for by the tenant agencies. The regulations prescribe that when

such work is extensive it be provided under contracts to be awarded and supervised by GSA, to avoid upsetting GSA's operation and maintenance work and schedules and interfering with the discharge of its responsibilities.

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PROPOSALS TO FINANCE BUILDING OPERATING COSTS

In a June 1955 report on real property management, the Commission on Organization of the Executive Branch of the Government recommended that funds for the operation, maintenance, repair, and alteration of all general-purpose public buildings owned or leased by the Government be appropriated directly to GSA. The Commission's Task Force on Real Property Management stated that the practice of operating general-purpose buildings "to the extent of 25 percent on a reimbursable basis from other agencies should be reduced to a minimum."

In 1956 a management consultant firm under contract with GSA recommended that building-management costs be financed from the appropriations of tenant agencies at occupancy rates established by GSA for each class of space. According to the firm's report:

"GSA is placed in the position of having to decide upon the level of accommodations and building services which it can afford to furnish such agencies. This level has been on a downward trend since the formation of GSA."

The report stated also that agencies with adequate funds were able to obtain supplementary services from GSA by reimbursement.

Since then several GSA legislative proposals have been introduced in the Congress for establishing a fund to finance building operating and construction costs and providing for payments to the fund by the Federal agencies for space and services that each use.

The most recent bills (S. 2479 and H.R. 10488) introduced in the Congress on August 6, 1971, would require agencies to budget and pay rent to GSA at commercial rates for space occupied.

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CHAPTER 2

NEED FOR INCREASED GSA CONTROL OVER BUILDING SERVICES

Our review showed that building services--cleaning, painting, and preventive maintenance of equipment--had not been provided uniformly and equitably to Federal agencies. GSA is responsible for the control over and allocation of these services, pursuant to Reorganization Plan No. 18 of 1950 which vested in GSA the responsibility for the operation, maintenance, and custody of office buildings.

GSA was not able, however, to adequately fulfill this responsibility because it did not have control over the use of all funds appropriated for building services. Of the total appropriations for such services, about 20 percent had been appropriated to tenant Federal agencies which made payments to GSA for certain services provided by GSA. These agencies requested, and were provided with, on a priority basis, services comparable to those enjoyed by private business. Such services exceed those provided by GSA to the agencies located in the buildings for which the operating costs are financed by GSA.

Differences in building services include:

- Variations in levels of cleaning in federally owned and in leased buildings--cleaning done either by employees of GSA or by employees of lessors of buildings and financed either by GSA or other Federal agencies.
- Variations in the frequencies of interior painting because of different standards for painting Government-owned and Government-leased buildings.

NONUNIFORM PLANNING FOR AND PERFORMANCE OF CLEANING

GSA has a measurement scale (cleaning standards) for cleaning of federally occupied buildings based on its experience in cleaning buildings, time and motion studies, and studies of the methods of cleaning used by private industry and public institutions.

According to GSA standards cleaning at the level normally required by private industry is considered standard (100 percent). Cleaning at a 5-percent reduction in manpower from this standard is termed level I, a 10-percent reduction is termed level II, and a 50-percent reduction is termed level X. When the cleaning is performed at a level less than standard, the frequencies for performing some cleaning jobs, such as dusting, sweeping, and vacuuming, are reduced or such cleaning jobs are not done at all.

Because of employment and expenditure constraints,¹ GSA had not been able to clean federally occupied buildings at the planned levels. Also, the level of cleaning--planned or accomplished--varied among the Federal agencies.

The following table presents the levels at which cleaning was planned for fiscal year 1969.

	<u>Planned cleaning level</u>
Buildings cleaned by GSA employees and paid for from GSA appropriations	VI (70 percent)
Buildings cleaned by GSA employees and paid for from agencies' appropriations	Standard
Leased buildings serviced by owners and paid for from GSA and agencies' appropriations	Standard

Our comparison of the planned man-hours for cleaning 70 federally occupied office buildings at service level VI, for which funds were appropriated to GSA, with the actual man-hours used in cleaning the buildings--at an annual cost of about \$10.9 million--indicated that cleaning had been performed on the average at level VII, as shown below.

¹The Revenue and Expenditure Control Act of 1968 imposed employment and expenditure limitations applicable to fiscal year 1969. These limitations were eliminated effective July 1, 1971.

Cleaning level	Number of buildings	Man-hours		Percent difference
		Planned	Actual	
About level VI	14	690,037	696,337	0.9
Below level VI	21	1,829,501	1,595,967	-12.8
Above level VI	<u>35</u>	<u>277,722</u>	<u>347,869</u>	<u>25.3</u>
Total	<u>70</u>	<u>2,797,260^a</u>	<u>2,640,173</u>	-5.6

^aWork load requirements as computed by GSA Central Office for fiscal year 1969 cleaning at level VI amounted to 2,781,842 man-hours. Our computations were based on staffing requirement records at the Washington, D.C., Regional Office.

We compared also the man-hours planned for cleaning five federally owned buildings at the standard level on a reimbursable basis--at an annual cost of about \$3.7 million--with the actual man-hours used in cleaning the buildings. This comparison indicated that the cleaning had been performed at a level slightly less than planned, as shown below.

Building	Man-hours		Percent difference
	Planned	Actual	
National Security, Ft. Meade, Md.	456,423	434,664	-4.8
Atomic Energy Commission, Germantown, Md.	106,324	101,410	-4.6
Social Security, Woodlawn, Md.	265,910	293,457 ^a	10.4
Employment Security, Washington, D.C.	28,426	27,205	-4.3
Federal Deposit Insurance Corporation, Washington, D.C.	<u>33,324</u>	<u>32,299</u>	<u>-3.1</u>
Total	<u>890,407</u>	<u>889,035</u>	- .15

^aSome additional cleaning was required because Social Security employees worked overtime.

GSA could not provide us with any records to indicate that an analysis had been made of the variances between planned and actual man-hours for fiscal year 1969. The difference of 5.6 percent between the actual man-hours and the planned man-hours for the 70 buildings appears to have been due to employment limitations, which resulted in insufficient cleaning staffs' being assigned to these buildings.

Cleaning forces assigned to a building are either GSA or contract employees. The 75 office buildings were cleaned by GSA employees. Although some small contracts were awarded by the building managers for trash collection and window washing at the 75 buildings, the effect of such contracts on the above comparisons would, according to GSA, be insignificant.

Leased buildings

Cleaning in leased buildings serviced by building owners is based on the frequencies (levels) specified in the leases. Our analysis of these cleaning provisions, which are applicable nationwide, show that the cleaning frequencies and intensities specified are about equal to standard-level cleaning. PBS Central Office officials concurred with us that these provisions provided for cleaning at about the standard level.

In November 1969 a Central Office official informed us that the cleaning provision for leased, owner-serviced buildings was to be reduced to about level VI. GSA's Operation and Maintenance of Real Property Handbook was revised in August 1970 to provide for a reduced level of cleaning in leased buildings, consistent with that provided in GSA-operated space. GSA's Acquisition of Leasehold Interests in Real Property Handbook, however, which contains policies and procedures governing the leasing of buildings, has not been revised to provide for cleaning at less than the standard level.

Although an official of the Office of Space Management, PBS, informed us in October 1970 that the handbook would be revised, the Office of Space Management, by memorandum dated July 23, 1971, notified the Office of Buildings Management that no change should be made in the lease

specifications for cleaning. The memorandum stated that, since leased space was required to be cleaned at an acceptable level, it should not be reduced and that efforts should be made to upgrade the cleaning level for other space.

GSA informed the Congress in its budget submission for fiscal year 1968 and at the appropriation hearings that it was cleaning buildings at about level VI (70 percent of standard) and that cleaning at that level was well below the level considered acceptable in commercial building operations.

In its fiscal year 1969 budget request, GSA stated that:

"GSA will be able to continue its current level of cleaning only by continued improvement in manpower utilization. As the Congress has been informed before, even this level is well below that considered acceptable in commercial building operations."

According to GSA records, the funds appropriated to GSA for fiscal year 1969 were sufficient to provide cleaning at level VII (65 percent of standard). GSA estimated that it would have cost \$20 million additional to have provided cleaning at the standard level.

In April 1971, during the fiscal year 1972 appropriation hearings, GSA officials informed the Congress that cleaning at that time was about 56 percent of standard and that GSA had decided that the cleaning level would be raised to 80 percent of standard over a 3-year period starting in fiscal year 1972--the increases to be from 56 to 64 percent in 1972, from 64 to 72 percent in 1973, and from 72 to 80 percent in 1974. GSA requested \$4.7 million in its budget to increase the level of cleaning in fiscal year 1972. Although funds for cleaning are not shown as a separate line item in GSA's budget request or appropriation, the Senate Committee on Appropriations, in its report on the fiscal year 1972 appropriation for GSA, stated that the 1972 appropriation provided for a partial restoration of cleaning services.

MONITORING CLEANING PERFORMANCE

GSA was not making the type or number of cleaning inspections or maintaining appropriate records to monitor effectively the cleaning performance by building lessors and cleaning contractors.

The cleaning inspections by GSA building managers or their representatives are reported on the Cleaning Inspection Record, which provides for noting the quality of building cleaning and any conditions that require corrections. The inspections are made at specified intervals to ensure that cleaning operations are being performed satisfactorily and as scheduled.

Lessors

Cleaning inspections in leased, owner-serviced buildings were not conducted on a surprise basis. GSA usually notified lessors of pending inspections about 1 week before the inspection dates. Thus the lessors had opportunities to make certain that the cleaning met requirements during the inspections.

Building-lease provisions call for certain periodic cleaning, such as quarterly floor waxing, window washing, and high cleaning.¹ Lessors, however, are not required to submit to GSA schedules showing the dates that periodic cleaning will be performed. When inspections are made GSA cannot verify adequately compliance with the required periodic cleaning.

Contractor cleaning

Our examination, on a selective basis, of the inspection records maintained by the Washington, D.C., Region showed that the required number of inspections of contractor cleaning and GSA employee cleaning had not been made. During the period November 1968 through October 1969, only about 42 percent of the 213 required cleaning inspections had been

¹Cleaning of all surfaces 70 inches or more from the floor.

made of 27 buildings under the jurisdiction of two Washington area field offices.

GSA requires that cleaning contractors furnish daily reports to enable GSA to compare the work done and the man-hours expended with the contract requirements. GSA requires also that cleaning contractors furnish schedules of all periodic cleaning (such as quarterly floor waxing and window washing) showing floor areas and dates when the cleaning will be done.

Our comparison of the periodic cleaning at one building, as shown on the records maintained by the building manager, with the cleaning scheduled showed that in some cases cleaning had not been done as scheduled and that in other cases it had not been done at all. For example, we found that high cleaning was scheduled for 181 days in calendar year 1969, but the records showed that high cleaning was done only 11 days in 1969. Also chemical treatment of toilets was scheduled for 24 days a year, but the records did not show that any of this work had been done in 1969. The building manager informed us that the records were not current and that the contractor had done more cleaning than was shown on the records.

Because cleaning records were not complete and because adequate inspections were not made, GSA did not know whether the contract cleaners met the cleaning requirements and did not have sufficient support to sustain contract deductions from contract payments when the required cleaning had not been performed. The cleaning contracts provide that a deduction be made from the payments due the contractors when contract requirements have not been met. Without adequate records contract deductions are difficult to enforce because the burden of proof that the contractor did not comply with the terms of the contract rests with GSA.

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NONUNIFORM CYCLE FOR INTERIOR PAINTING

Pursuant to a directive of the President of the United States pertaining to reducing the cost of Government, in 1967 GSA changed its regulations on the interior painting cycle of Government-owned buildings from 5 years to 6 years but made no change in the 5-year painting cycle required to be included in leases of buildings.

For most of the buildings covered by our review, interior painting was neither scheduled nor done on a 6-year cycle. GSA paints the interiors of buildings more frequently than on a 6-year cycle when the tenant agencies request that painting be done on a reimbursable basis. Because GSA gives priority to such reimbursable work, the painting of buildings financed out of GSA's appropriations is often done less frequently than on a 6-year cycle.

Our examination into the painting of Government-owned buildings in the Washington Region in fiscal years 1969, 1970, and 1971 showed that, of the painting costs of about \$5.8 million a year, about \$1 million was financed from GSA appropriations and about \$4.8 million was financed from reimbursements by the tenant agencies. During this period the Washington Region repeatedly instructed its building managers to use painters on reimbursable work because of the limited GSA funds available for painting. As a result about 80 percent of its painters were assigned to such work. GSA paints the space when the agencies request that the work be done, which may not be necessarily on the basis of need or established cycles.

For example, at the request of the Department of State, GSA has painted the interiors of the Department's building more frequently than on a 6-year cycle. In fiscal year 1969 the Department reimbursed GSA for about 85 percent of the painting costs. We noted that 72 percent of the interior of this building had been scheduled for painting about every 4 years. Also, at the request of the Atomic Energy Commission, GSA has painted the interior and maintenance areas of the Commission's building at Germantown, Maryland, on a 4-year and a 6-year cycle, respectively, rather than on the GSA prescribed 6- and 10-year cycles.

Painting in leased buildings

In May 1965 GSA changed its regulations to require that leases of owner-serviced buildings provide for interior painting on a 5-year cycle rather than on a 3-year cycle. Our review of 34 leases of owner-serviced buildings in the Washington Region, entered into after the regulations were changed, showed that the leases required painting on a 3-year cycle. Our inquiry indicated that this occurred because the Washington Region did not revise its leasing specifications until December 1969. This delay resulted in the long-term leasing (up to 20 years), between May 1965 and December 1969, of large blocks of space under the 3-year painting-cycle regulation. Less frequent painting should result in lower rentals.

PAINT PROCUREMENT

Contrary to Federal procurement regulations, some GSA field offices purchased paints without adequate justification for not using the less expensive paints available from the Federal Supply Service (FSS) stock or contract sources.

The interior of the Government-owned and GSA-managed Central Intelligence Agency Headquarters Building in McLean, Virginia, was painted in one color (gray) when constructed about 1961. Upon occupancy of the building, the agency complained about its drab appearance and requested that GSA contract for a complete interior color study.

In September 1963 GSA awarded a \$24,000 service contract for the selection of a color scheme for the building. The agency reimbursed GSA for this work. The contractor recommended colors for which paint was not available from FSS stock or contract sources and which could not be obtained by mixing various tints with FSS white paint. As a result paint for this building was purchased at an annual cost of about \$10,000 from non-FSS sources at prices which averaged \$2 a gallon, or 90 percent, higher than FSS paint.

Paint costing about \$4,100 was procured by GSA from non-FSS sources between July 1, 1968, and October 30, 1969, for the Atomic Energy Commission Building. The non-FSS paint is used on the walls, but FSS paint is used on the ceilings.

About 94 percent of the paint requirements by a field office responsible for six Government-owned and Government-occupied buildings in San Francisco, California, was procured from FSS sources during fiscal year 1969. The GSA buildings manager responsible for these buildings told us that the quality of the paint generally was good. During the same period, however, about 95 percent of the paint requirements by another field office responsible for four other Government-owned and Government-occupied buildings in the area was procured from non-FSS sources. The GSA buildings manager responsible for these buildings told us that he considered the quality of FSS paint to be inferior because its covering characteristics were not as good as the paint procured from non-FSS sources. He did not submit any complaints to FSS about the quality of the paint, however, as required by GSA's complaint procedure.

The prices for paint purchased from non-FSS sources for buildings in the Washington, D.C., and San Francisco regions, which varied considerably, and the prices of the same class of paint available through FSS follow.

<u>Class of paint</u>	Sample range of prices a gallon paid for <u>non-FSS paint</u>	FSS prices <u>a gallon</u>
Interior latex	\$3.36 to 6.30	\$1.60
Semigloss enamel	4.45 to 8.13	2.92
Enamel undercoating	3.44 to 4.97	2.40

Concerning the quality of FSS paint, PBS' Assistant Commissioner for Buildings Management, in a May 1969 memorandum, notified all GSA Regional Administrators that:

"We intend to continue in our efforts toward improving upon products commonly used in buildings management activities. We can be assisted materially in this endeavor if you keep us informed of specific difficulties being experienced by field office personnel. A method exists whereby complaints involving the quality of merchandise ordered through the Federal Supply Service may be reported in an orderly fashion."

The method referred to by the Assistant Commissioner is the complaint procedure provided in the GSA stock catalog which instructs the user (Federal agency or PBS) to notify the GSA regional FSS office when the quality of an item ordered from the catalog does not satisfy the user's requirements.

We reviewed the complaints received by FSS Washington, D.C., and San Francisco Regional Offices during calendar year 1969 to determine whether PBS was voicing objections through the formal complaint mechanism provided for in the catalog. During this period only one complaint was received from PBS. It related to the covering characteristics of enamel paint. Upon investigation FSS found that too much thinner had been added by the painter.

After we discussed the results of our review with regional officials, GSA instructed its buildings managers, by letter dated June 15, 1970, to conduct a personal survey of their paint procurement practices and to comply with the Federal procurement regulations or to be prepared to justify procurements from non-FSS sources. If FSS paint was found to be unsatisfactory, building managers were instructed to prepare appropriate complaint forms and to submit them to FSS.

ADMINISTRATION OF LEASE PROVISIONS COVERING PAINTING

Closer monitoring should be made of lessors' compliance with interior painting requirements in the leases for buildings occupied by the Federal Government. Such monitoring is necessary to determine whether lease requirements are met and to evaluate the reasonableness of the painting cycles in the leases.

For leased buildings covered by our review, GSA did not maintain adequate records of its monitoring of compliance with the painting provisions of the leases. For example, the lease for the Matomic Building in Washington, D.C., states that the lessor shall paint the interior areas every 3 years, except for acoustically treated surfaces (ceilings) which are to be painted every 5 years. The principal

Federal tenant agency informed GSA, by letter dated December 9, 1968, that the ceilings had not been painted by the lessor during the agency's 10-year occupancy. GSA asked the lessor to paint the ceilings in accordance with the terms of the lease, but he refused, contending that painting would destroy the acoustics. Another tenant agency, which occupied a smaller part of the same building, had the ceilings painted by GSA and paid for the work.

In some instances GSA painted interiors of leased buildings even though the provisions of the leases required the lessors to paint the interiors generally every 3 years. For example, during fiscal year 1969 GSA painters in the Washington Region worked 858 man-hours painting the interior of a leased building; GSA did not have any records of when the lessor had painted it. The tenant agency paid for the work.

Painting in Government owned and leased buildings in the Washington Region was done, for the most part, during the normal working hours of the tenant agencies, although GSA regulations and lease provisions state that painting shall be done after the normal duty hours of the tenant agencies unless done in an area where the work of tenant agencies is not interrupted. We believe that the building managers should require that painting be done in accordance with regulations and lease provisions, to avoid interrupting agency operations. Also in establishing lease rentals, the lessors may have included a cost factor for paying overtime for painting done after normal duty hours.

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PROGRAM FOR PREVENTIVE MAINTENANCE OF
BUILDING EQUIPMENT NOT FULLY DISCHARGED

GSA experienced difficulty in adhering to its work schedules for the periodic maintenance of building equipment, such as heating, cooling, and ventilating equipment. By furnishing tenant agencies such services as space renovations, relocations of partitions, and changes of space layout on a cost-reimbursement basis, GSA building managers reduced the availability of GSA's building-services work force for carrying out its standard preventive-maintenance program.

GSA's procedures provide that cost-reimbursable-type work be accepted only to the extent that it can be accomplished without interfering with building operations and maintenance. We believe that the extent of the cost-reimbursable work resulted in interference with building maintenance. GSA apparently had undertaken the reimbursable work to be of as much service as possible to the tenant agencies and to supplement the funds available for payment of salary costs of its building-services work force. Building managers told us that they diverted their work forces to reimbursable work when GSA funds were tight.

Building managers of the Washington, D.C., Region, according to the minutes of the managers' meetings, had been instructed repeatedly by regional officials to transfer mechanics to reimbursable work because of the limited GSA funds available. For example, on April 30, 1971, building managers were instructed to make available as many mechanics as possible for reimbursable work and to stop spending repair and improvement funds; on May 18, 1971, they were told to continue mechanics on reimbursable work as much as possible; and on August 17, 1971, they were instructed to cut back on GSA-funded work and to transfer mechanics to reimbursable work. Similar instructions were issued in fiscal years 1968, 1969, and 1970.

A comparison of the man-hours planned for preventive maintenance with the man-hours used in fiscal year 1969 for eight federally occupied buildings in the Washington, D.C., and San Francisco regions follows.

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<u>Buildings</u>	<u>Man- hours planned</u>	<u>Man- hours applied</u>	<u>Hours over or under(-)</u>	<u>Percent over or under(-)</u>
Washington area:				
Civil Service	6,121	3,467	-2,654	-43
Main Navy	10,764	4,395	-6,369	-59
New Post Office	8,217	6,302	-1,915	-23
ICC-Labor	10,792	8,303	-2,489	-23
Atomic Energy Commission	12,331	16,565	4,234	34
San Francisco area:				
U.S. Appraisers Building and U.S. Customs House (2 build- ings)	1,547	1,393	-154	-10
Federal Building, 450 Golden Gate	<u>6,075</u>	<u>4,933</u>	<u>-1,142</u>	-19
Total	<u>55,847</u>	<u>45,358</u>	<u>-10,489</u>	

The comparison shows that the man-hours applied were less than those planned for seven of the eight buildings. According to GSA records preventive maintenance was performed less frequently than was specified in its maintenance standards. Work in excess of the standards was performed on equipment in the Atomic Energy Commission Building. Staff assigned to maintenance at this building exceeded requirements computed on the basis of GSA standards. The work was accomplished by GSA on a cost-reimbursable basis.

GSA Central Office reports on inspections of field office operations disclosed that preventive maintenance, in many instances, was not being done in accordance with its plans and maintenance standards. Of the 12 reports issued in fiscal year 1969 by the Central Office team on its inspections of operations in the Washington, D.C., and San Francisco areas, seven showed that preventive maintenance was performed less frequently than scheduled, three indicated that preventive maintenance generally was being performed as scheduled, and two indicated that records were not then current or correct.

GSA records did not disclose to what extent, nationwide, it had not fulfilled its responsibilities for preventive maintenance of building equipment.

CONCLUSIONS

Federal agencies occupying GSA-managed buildings have not been provided with uniform and equitable building services--cleaning, painting, and preventive maintenance. Agencies paying building-service costs from their appropriations receive more frequent and adequate services than do agencies occupying buildings dependent upon GSA-financed services.

Uniformity in levels of service could be facilitated either (1) by making appropriations directly to GSA for all building services or (2) by having GSA charge all agencies rent for space occupied--an approach which GSA supports. Legislation was introduced in the Congress on August 6, 1971, which would require agencies to budget and pay rent to GSA at commercial rates for space occupied, effective not less than 3 years after enactment.

Also, it is necessary that GSA apply uniform criteria for cleaning and painting Government-owned and Government-leased buildings. We recognize that deviations from a uniform painting cycle may be necessary due to changes in occupancy, space alterations, and deterioration of painted surfaces.

Apart from the need for overcoming inconsistencies and inequities in building services, GSA should avoid the purchase of expensive paints and should emphasize the use of less expensive paints that can be obtained from FSS. To avoid interrupting agency operations, painting should be done after normal duty hours of the tenant agencies in accordance with lease provisions and regulations. Also, adequate service-performance records should be maintained to aid in monitoring compliance with lease provisions.

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GSA cannot verify that the prescribed levels of cleaning have been provided in buildings cleaned by lessors and contractors, because it has not maintained adequate records and has not made inspections at prescribed intervals in buildings cleaned by contractors or on a surprise basis in leased buildings.

RECOMMENDATIONS TO THE ADMINISTRATOR
OF GENERAL SERVICES

We recommend that GSA:

- Strive to provide building services to federally occupied buildings on a uniform and equitable basis.
- Establish a common painting cycle for all federally occupied buildings.
- Require compliance with its regulations on procurement of paint from FSS.
- Require that painting in Government-owned and Government-leased buildings be done after the normal duty hours of the tenant agencies, in accordance with GSA's regulations and/or lease provisions.
- Require that inspections be made as prescribed in its regulations and that records be maintained evidencing that cleaning and painting are being done in accordance with plans and requirements.

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CHAPTER 3

AGENCY COMMENTS

Comments by the Administrator of General Services on a draft of this report are included as appendix II.

GSA generally agreed with our recommendations relating to (1) establishing a uniform painting cycle, (2) requiring that painting be done after the normal duty hours of tenant agencies, and (3) requiring that periodic inspections be made and that adequate records be maintained for cleaning and painting operations.

GSA stated that it would:

- Revise the painting cycle to require repainting of office space every 5 years and place increased emphasis on the paint program.
- Make every effort to arrange for night painting where feasible.
- Include in future leases for large blocks of space a requirement that lessors report to GSA when painting and other periodic work is accomplished.
- Study the possibility of an incentive-type contract to improve cleaning.

With respect to the recommendation that building services be provided on a uniform and equitable basis, GSA contended that building services had been planned and allocated as consistently and equitably as possible and had been programmed to provide standard service in all areas except for cleaning. According to GSA cleaning at the standard (100 percent) level is possible only when the total operation is fully reimbursable.

Apart from the reimbursable cleaning, however, we found wide variances in the levels of cleaning provided in Government buildings. GSA's lease provisions require cleaning by building owners at the standard level, and GSA's Office of

Space Management stated that this was an acceptable level of cleaning and should not be reduced. As discussed in this report, agencies paying GSA for painting services are provided with more frequent painting than is specified in GSA regulations. Also the painting of buildings which is financed out of GSA's appropriations is often done less frequently than on a 6-year cycle.

GSA questioned the validity of our comparison of man-hours planned and expended for cleaning 75 buildings because, in the case of contract cleaning, the dollar amounts and not the man-hours would show as expenditures.

The 75 office buildings included in our comparison were cleaned by GSA employees and not by commercial contractors. Although some small contracts had been awarded by building managers for work, such as trash collection and window washing, according to GSA officials the contract work would not have a significant effect on the comparison between planned and actual man-hours.

GSA took exception to our statement that it did not make an analysis of the variances between planned and actual man-hours for fiscal year 1969 cleaning. GSA stated that it did and does make these comparisons. When asked for the comparisons, GSA could not provide us with any records to indicate that such an analysis had been made.

GSA stated that it was true that, in certain instances, paint had been purchased on the open market to satisfy agency interior decoration plans but that, in all cases, a sincere effort had been made to induce agencies to select from colors available from FSS. GSA added that paint also had been purchased on the open market because the agency requested, if not demanded, higher quality paint than that available from current or future FSS stocks.

GSA stated also that action was taken after our review to improve contract-cleaning administration and that its records were current and sufficiently accurate to administer cleaning contracts properly. When asked what action was taken, GSA officials referred to instructions on the administration of cleaning contracts issued by its Central Office in April 1968. These instructions were in effect at the time

of our review and were not being followed. Also a GSA internal audit report, issued in January 1971, on the administration of cleaning contracts indicated that there were inadequate controls to ensure contract performance.

GSA made a point that written reports were required for one type of cleaning inspection but not for another and that this dual requirement may have misled us. Our review, however, covered periodic inspections specified in the manual, which required written reports.

GSA said that, during the period covered by our analysis of preventive maintenance, it was severely restricted in its recruitment program and was unable to provide a sufficient work force to carry out its mission adequately and that the vacancies in the many crafts hampered it in providing all the maintenance, repair, and reimbursable services required. GSA questioned our comparison which showed that the performance of preventive maintenance was significantly less than that scheduled for four of the five buildings in the Washington, D.C., area. GSA contended that the total hours of work scheduled for all maintenance were consistent with the hours of work applied, except for the Atomic Energy Commission Building (overexpended) and the Main Navy Building (underexpended).

According to GSA's manual of instructions, operation and maintenance includes preventive maintenance, tours, watches, service calls, and miscellaneous tasks. We believe that shortcomings in one category of the operation and maintenance program are not compensated for by overexpending time on one or more other categories. The grouping together of man-hours does not permit a meaningful evaluation of the maintenance effort being expended for each activity.

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CHAPTER 4

SCOPE OF REVIEW

Our review was directed toward an examination of the policies, procedures, and practices of GSA relating to the management of cleaning, painting, and maintenance of buildings occupied by Federal agencies. Expenditures for these three activities amounted to about \$123 million a year for the 3-year period ended June 30, 1971, or 27 percent of all expenditures for building operations managed by GSA. The review included an examination, on a selected basis, of plans, reports, leases, cleaning, contracts, and other related files.

We compared the man-hours planned for cleaning 75 office buildings in fiscal year 1969 with the man-hours used, reviewed cleaning-inspection reports for 63 Government-owned and Government-leased buildings, and examined cleaning contracts and related records. We also reviewed (1) painting cycles for 10 Government-owned and 62 Government-leased buildings, (2) selected paint procurements, and (3) maintenance of building equipment at eight buildings.

Our review was made at GSA's Central Office and at GSA Regional Offices in Washington, D.C., and in San Francisco and at selected buildings in the two regions.

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SCHEDULE OF FISCAL YEAR 1969 CLEANING COSTS

	<u>Appropriation</u>		<u>Total</u>
	<u>GSA</u>	<u>Tenant agencies</u>	
Cleaning at standard service level (100 percent):			
By GSA		\$ 4,805,000	
By building owners (estimated)	<u>\$17,702,000</u>	<u>7,922,000</u>	
Subtotal	<u>17,702,000</u>	<u>12,727,000</u>	<u>\$30,429,000</u>
Cleaning at service level VII (65 percent)	<u>59,698,000</u>	<u>-</u>	<u>59,698,000</u>
Total costs	<u>\$77,400,000</u>	<u>\$12,727,000</u>	<u>\$90,127,000</u>
Percent	86	14	100

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APPENDIX II

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, D.C. 20405



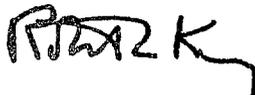
JUL 29 1971

Honorable Elmer B. Staats
Comptroller General of the United States
General Accounting Office
Washington, D.C. 20548

Dear Mr. Staats:

This is in reply to your letter of May 17, 1971, which transmitted the draft report, "Opportunities to Improve Management of Building Services." Attached are our comments on the draft report. We have commented on each of the six specific recommendations and also include some general comments. We will be pleased to discuss these further with your staff if you wish.

Sincerely,


Robert L. Kunzig
Administrator

Enclosure

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COMMENTS: GAO DRAFT REPORT
OPPORTUNITIES TO IMPROVE
MANAGEMENT OF BUILDING SERVICES

Recommendations, Page 4

1. Recommendation. Building services be provided Federal agencies as uniformly and equitably as possible.

Comment. We have planned, and we do allocate building services as consistently and as equitably as possible. Our plans are based upon work measurement and work standards. Because we are constantly faced with constraints in funding and manpower, and inasmuch as these restrictions vary throughout the fiscal year, it is extremely difficult to follow the plans precisely. For example, at times we do not have sufficient manpower to perform programmed operations. In lieu of manpower we utilize many small or sometimes a few large contracts to augment our work force. The dollar cost of this work shows up in monthly reports, but the manpower hours do not. In our cleaning operations, we realize that anything below Level IV generates considerable agency complaints. GSA employs standard level criteria for all services except for custodial operations. Cleaning standards at the 100 percent level under current funding restrictions, are possible only when the total operation is completely reimbursable to GSA. On pages 11 and 12, the report states that wide variances in the level of cleaning applied to individual buildings are due to nonuniform allocations of manpower resources and funds. The report is apparently based on a pure comparison of scheduled and actual custodial operations' manhours as reported. In reality, however, such a comparison cannot be made. GSA does not establish or issue scheduled hours for work performance. Standard hours are developed from industrial engineering studies to determine the manpower required to perform the work. These hours are then converted into dollars which are allotted to the regions and in turn to the Buildings Managers for the accomplishment of work. Based upon the dollars allotted, the work may be performed by force account, which represents man-hours, or by contract. In the latter case only dollars would show as an expenditure. Thus, the ratio of "scheduled" to expended man-hours is not a valid one.

Overall, the report suggests that we have adhered quite well to the execution of our plans, particularly when constraints on funding and manpower are considered. The report states that GSA did not compare fiscal year 1969 scheduled cleaning with actual performance to determine the reasons for variances. In fact, we did and do make these comparisons both at Regional and Central Office level.

2. Recommendation. GSA include in its budget request for at least some of the funds now being appropriated to tenant agencies until such time as agencies may be required to pay GSA rent for space occupied.

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[See GAO note, p. 38.]

3. Recommendation. A uniform painting cycle be established for all Federally occupied buildings.

Comment. A common 5-year office space painting cycle was established in December 1963 by the Office of Buildings Management. Approximately 4 years ago the cycle was revised upward to, basically, 6 years for office space painting. This was done in response to the cost reduction and stretch-out program of the prior Administration. However, our experience over the past several years indicates that we should be repainting office space every 5 years. In light of this experience we are planning to revise our existing painting cycle to provide for repainting of office space every 5 years. This painting cycle will apply to both Government-owned and leased space.

We feel that adequate instruction and procedures exist for the controlling of the painting program. Therefore, to correct the reported discrepancies we propose to tighten up our followup procedures, and place increased emphasis on this program.

4. Recommendation. GSA regulations pertaining to procurement of paint from Federal Supply Service (FSS), be observed.

Comment. It is true that in certain instances paint has been purchased on the open market to satisfy agency interior decoration plans, but it must be stressed that in all cases a sincere effort was made to induce agencies to select from those colors available from FSS. Paint

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has also been purchased on the open market because the agency requested, if not demanded, higher quality paint than that available from current or future FSS stocks. When this is done, the occupant agency should pay the cost of the paint. The AEC Building, one of the buildings referred to, is 100 percent reimbursable. Paint color schemes are reviewed by the Design and Construction Division.

Region 9 issued instructions in July 1970 directing that field offices adhere to regulations on procurement of paint.

5. Recommendation. Painting in Government owned and leased buildings be done after the normal hours of the tenant agencies, in accordance with existing regulations and lease provisions.

Comment. An effort is made in all instances to accommodate the occupant agency. Notification as to when the work is scheduled is given well in advance and is closely coordinated with the agencies. If the agency feels that its work will be unduly interrupted, the work is rescheduled for other than normal duty hours. More often than not, we are painting at the agency's specific request on a "crash" basis, and are frequently painting on both day, night, and weekend shifts. In addition, we have had considerable difficulty in staffing for night shift painting operations. It is difficult to provide adequate supervision, and, our experience has shown that production rates at night are considerably less than daytime painting performance. In every case, the quality of the workmanship is noticeably better on daytime shifts. Nevertheless, we will make every effort to arrange for night shift painting where feasible.

6. Recommendation. Inspections be made as required by regulations and improved records be maintained so that GSA can be assured that cleaning and painting are being done in accordance with plans and requirements. (See p. 30.)

Comment. With regard to cleaning inspections, the report states that because cleaning records were not current, GSA did not have sufficient documentation to sustain deductions on cleaning contracts where warranted and did not have complete assurance that cleaning requirements had been met. Since the data for the GAO report was collected, we have taken action to improve contract cleaning administration. We feel that our records are now current and sufficiently accurate to properly administer our cleaning contracts. We are continually striving to further improve our procedures. The report states that GSA failed to make the required number of contractual cleaning and group force cleaning inspections. It states that during the period November 1968 through October 1969 only 32 percent of the required number of cleaning inspections were performed in 26 buildings under the jurisdiction of two Region 3 field offices.

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APPENDIX II

In Region 3 there is a requirement for two types of cleaning inspections to be made by the Buildings Managers and their staffs. The first requirement imposed by the GSA handbook on a nationwide basis states that formal cleaning inspections are to be made a stated number of times per year and that a written report must be forwarded to the regional office for review.

Our records indicate that all but a very small percentage (two to five percent) of these inspections were performed. The second requirement prescribes that a set number of night inspections are to be made each month by the field office staff to determine if any operational problems exist during nighttime operations. The field offices are required to report the number of this type of inspections that were made, but are not required to submit cleaning inspection forms. These dual requirements may have misled GAO.

With respect to leased owner-serviced space, GSA agrees that the terms of all leases should be enforced to assure that the Government receives the services paid for. However, on a cost/benefit basis, the maximum effort is placed on those leased locations large enough to represent important costs. At last analysis, GSA had over 7,300 such leases, only 69 (or less than 1%) of which are over 100,000 net square feet. The average size of the approximate 7,200 leases under 100,000 net square feet is less than 4,000 net square feet. In those locations where the Government is a minor tenant, it is usually necessary to accept the same level of services being provided other tenants. Future leases for larger blocks of space will include the requirement that the lessor report on painting and other required periodic work when the work is accomplished.

Chapter 6 of the handbook PBS P 5800.18A sets forth the requirements for inspection of contract cleaning. However, GSA experiences with the type of cleaning contract now in use have been less than satisfactory in many cases. Even a saturation level of inspection has at times failed to get an adequate response from the cleaning contractor. GSA is at present studying the possibility of an incentive type of contract similar to those in use by NASA and DOD. If adopted, the new contract will require a completely redesigned contract cleaning inspection program.

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Copies of this report are available from the U. S. General Accounting Office, Room 6417, 441 G Street, N W., Washington, D.C., 20548.

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